Goals & Objectives for the Course:

- ✓ Understand the need for improvement in health care processes and outcomes.
- ✓ Be able to connect the components of the MBNQA to the quality of goods or services in a health care organization.
- ✓ Be capable of performing an initial assessment of an organization using the MBNQA criteria.
- ✓ Exhibit an appreciation of the systems thinking involved in quality management and performance improvement.

Objectives for this class period:

- ✓Grasp the short history of Performance Improvement
- ✓Understand the concepts and criteria of the MBNQA system.
- ✓Learn the “right” questions to drive performance improvement.

Short History of Quality

2LQ in medicine

Shewhart, Deming, Juran, et al

3LQ in business

3LQ in medicine

Current Issues of Health Care Quality in the United States

1995-2000 WHO Reports

U.S. lags in longevity, infant mortality, etc. Ranked 32nd in world for Overall Health System (1997, *2000*)

1999 IOM Report: **"To Err is Human"**

50,000-100,000 deaths/yr due to medical error.

2001 IOM Report: **"Crossing the Quality Chasm"** Recommends major changes in national health care delivery system.

Business Practices: Past v. Future

- Satisfaction with status quo
- Don’t challenge the status quo
  - Inspect products at the end of production; discard “failures”
- Buy from lowest bidder

- Create challenge for change
- Adopt the new philosophy
- Cease inspection; build quality into the process of production.
- Buy from the best partner; create long-term relationship with single suppliers.

Business Practices: Past v. Future

- If it works, don't "fix" it.
- Keep workers busy
- The boss knows what's best
- Let 'em know who's boss
- Keep divisions competing against each other

- Constantly improve
- Institute OJT
- Institute leadership from all levels
- Drive out fear
- Break down barriers between departments.

Business Practices: Past v. Future

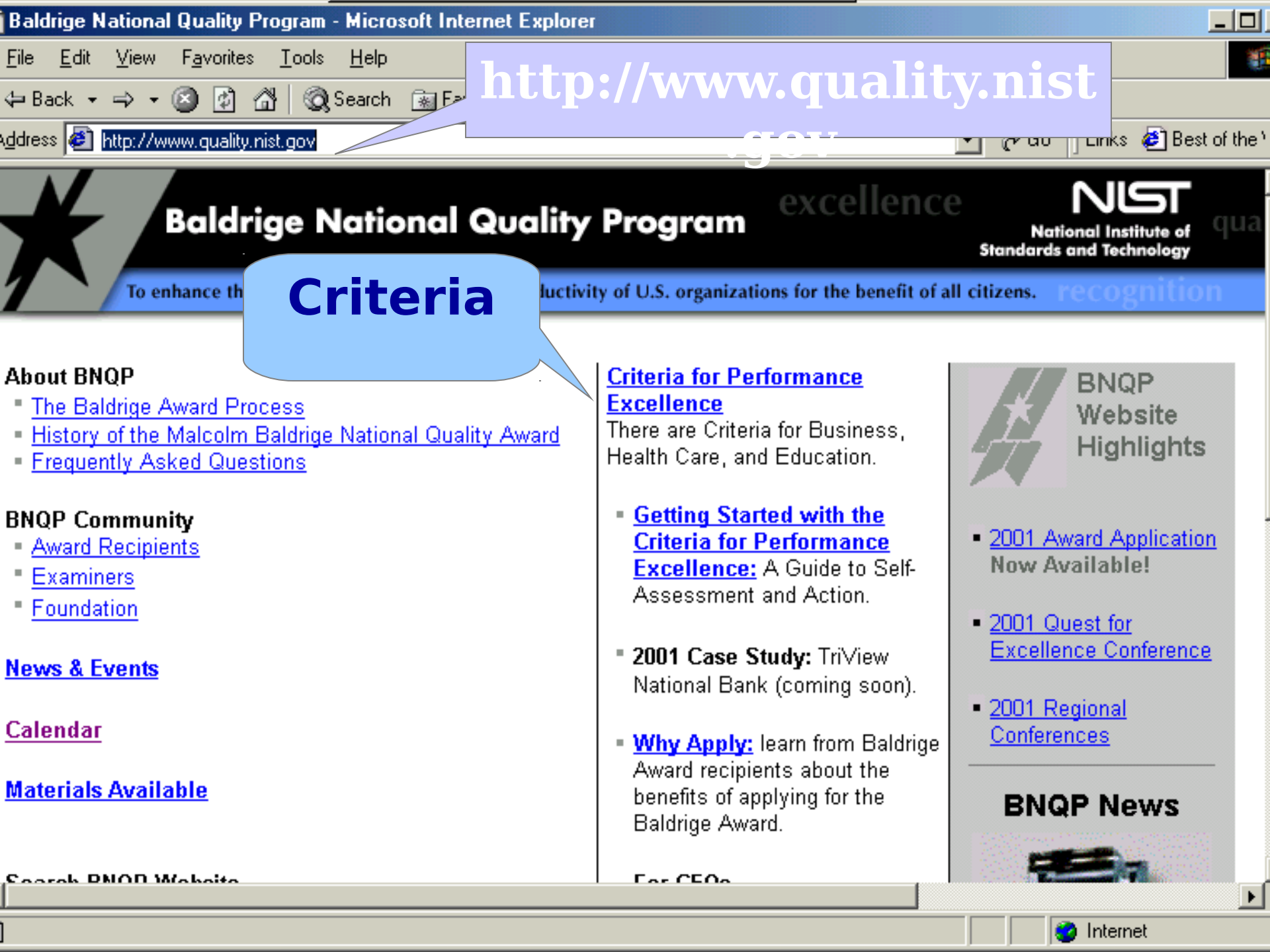
- Slogan of the month
- Work quotas (throughput)
- Emphasize volume
- “I didn’t take ‘em to raise”
- Everything is top-down

- Eliminate slogans
- Eliminate quotas; use leadership
- Emphasize quality
- Institute a program of education and self-improvement
- Everybody has a role in improvement.

Malcolm Baldrige

1988 – NIST & Baldrige Foundation created the MBNQA

- For-profit business
  Did *not* include education or service industry like health care.
- Improve competitiveness in world mkt.
- Based on 200 years business experience.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Getting Started with the Criteria for Performance Excellence: A Guide to Self-Assessment and Action.
2001 Case Study: TriView National Bank (coming soon).
Why Apply: learn from Baldrige Award recipients about the benefits of applying for the Baldrige Award.
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Baldrige index Fund

benefits of applying for the Baldrige Award.

For CEOs

- **Issue Sheets:** address key issues facing the CEOs of American business.
- **Baldrige Beats the S&P 500:** The "Baldrige Index" is a fictitious stock fund made up of publicly traded U.S. companies that have received the Malcolm Baldrige National Quality Award.

BNQP Website comments:
nqp@nist.gov

BNQP Customer Service:
Phone: 301.975.2036
Fax: 301.948.3716

Baldrige National Quality Program
NIST

BNQP News

2000 Award Recipients

Internet

Baldrige Index Fund

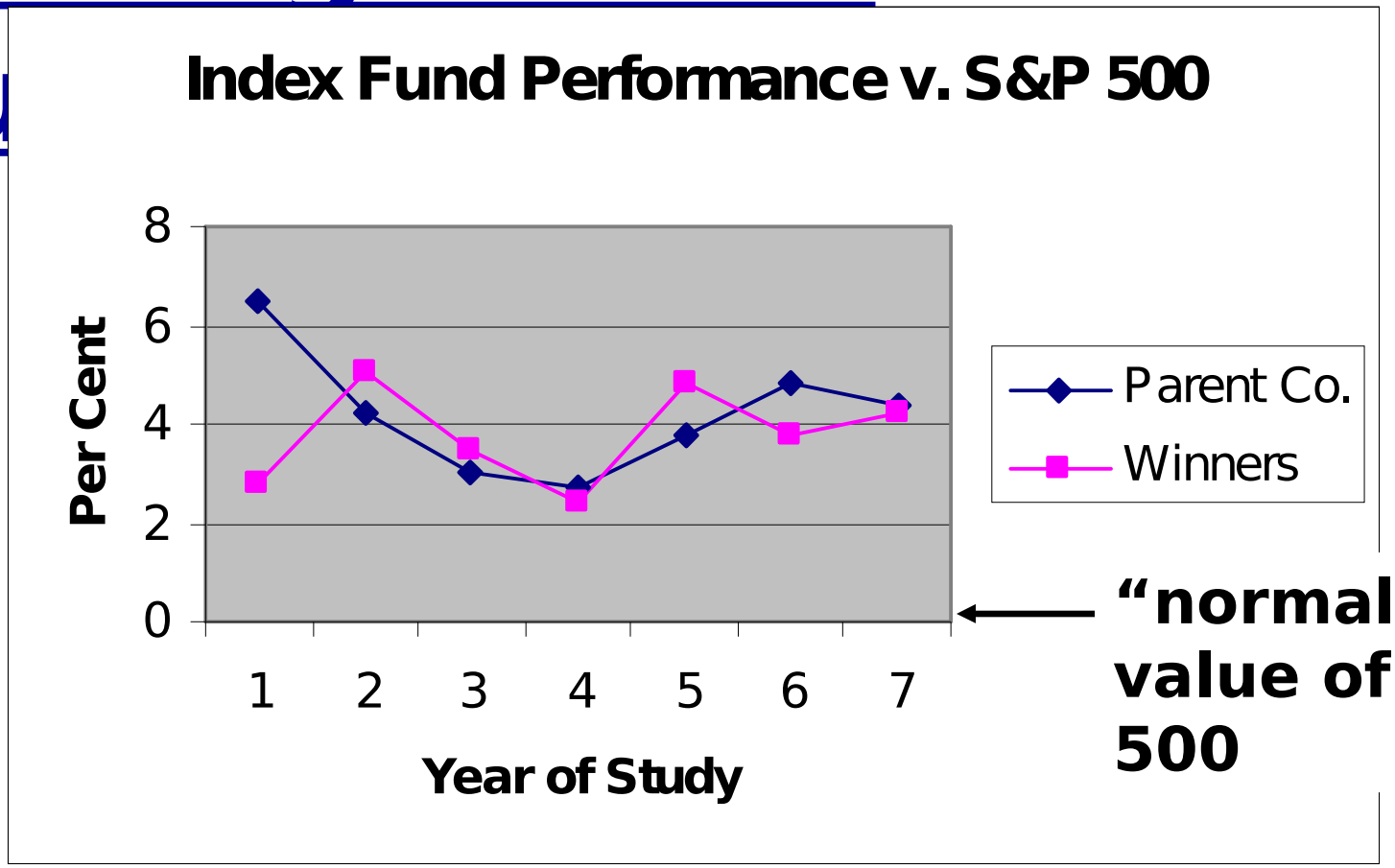
Fictitious fund made up of MBNQA “winners”

$1000 invested in winner (and parent company) **and** $1000 invested in S&P 500 on Apr 1st each year.

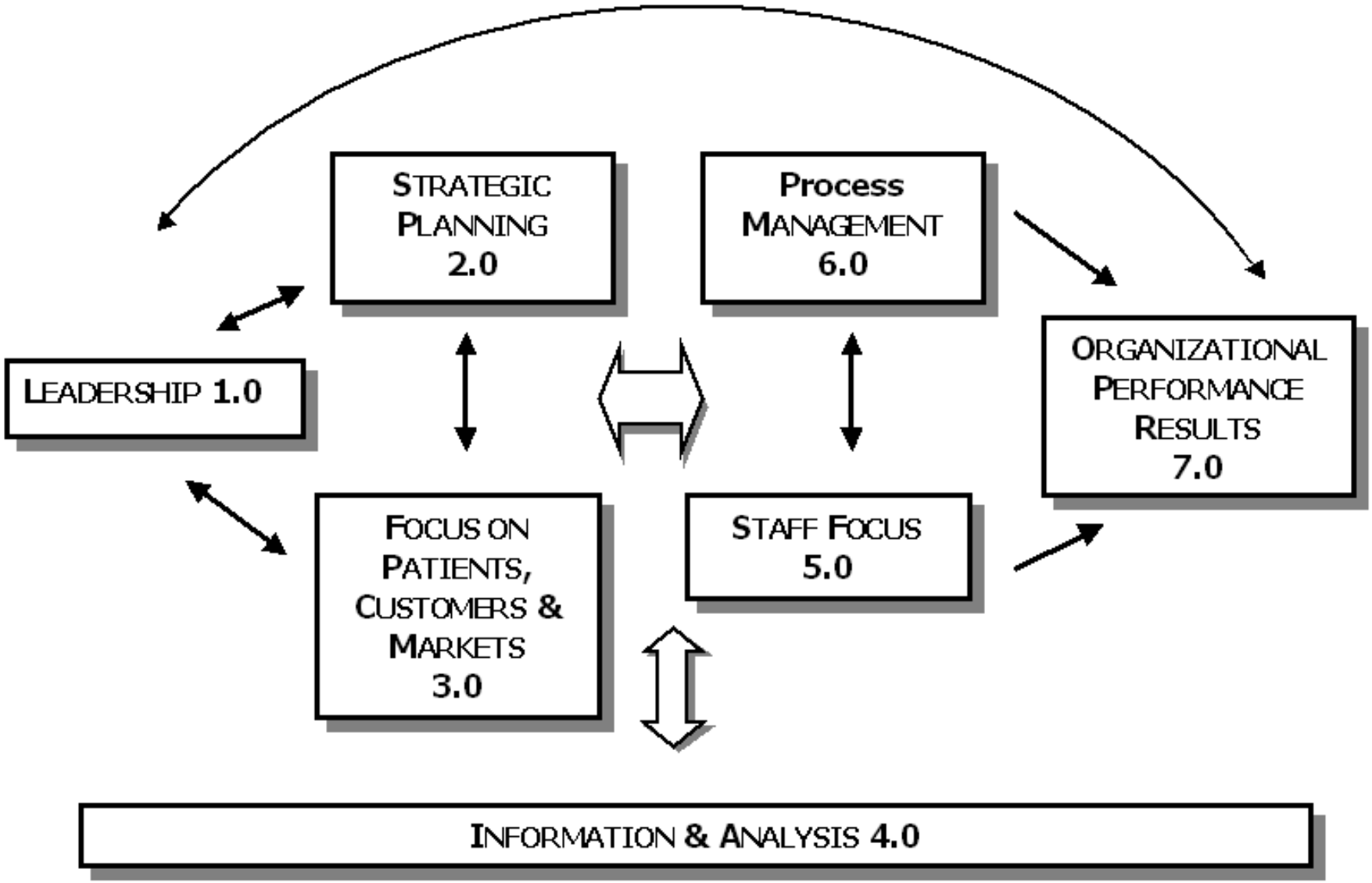
Tracked through Dec 1st each year and

reported.

Baldrige Index Fu



BALDRIGE HEALTH CARE CRITERIA FRAMEWORK



Core Values

- **Visionary Leadership**
- **Patient Focused Organization**
- **Learning Organization**
- **Valuing Staff & Peers**
- **Agility**
- **Focus on the Future**

Core Values

- **Managing for Innovation**
- **Management by Fact**
- **Public Responsibility & Community**

Health

- **Focus on Results & Creating Value**
- **Systems Perspective**

Right Questions

- What do we do here?
- Who do we do it for?
- What do they want?
- How are we doing?
- How can we improve?

  How do you know?

  So what?

  Are you kidding?

Baldrige Criteria for Health Care

- Criteria focus on results
- Criteria are non-prescriptive
- Criteria support systems perspective
- Criteria support goal-based diagnosis

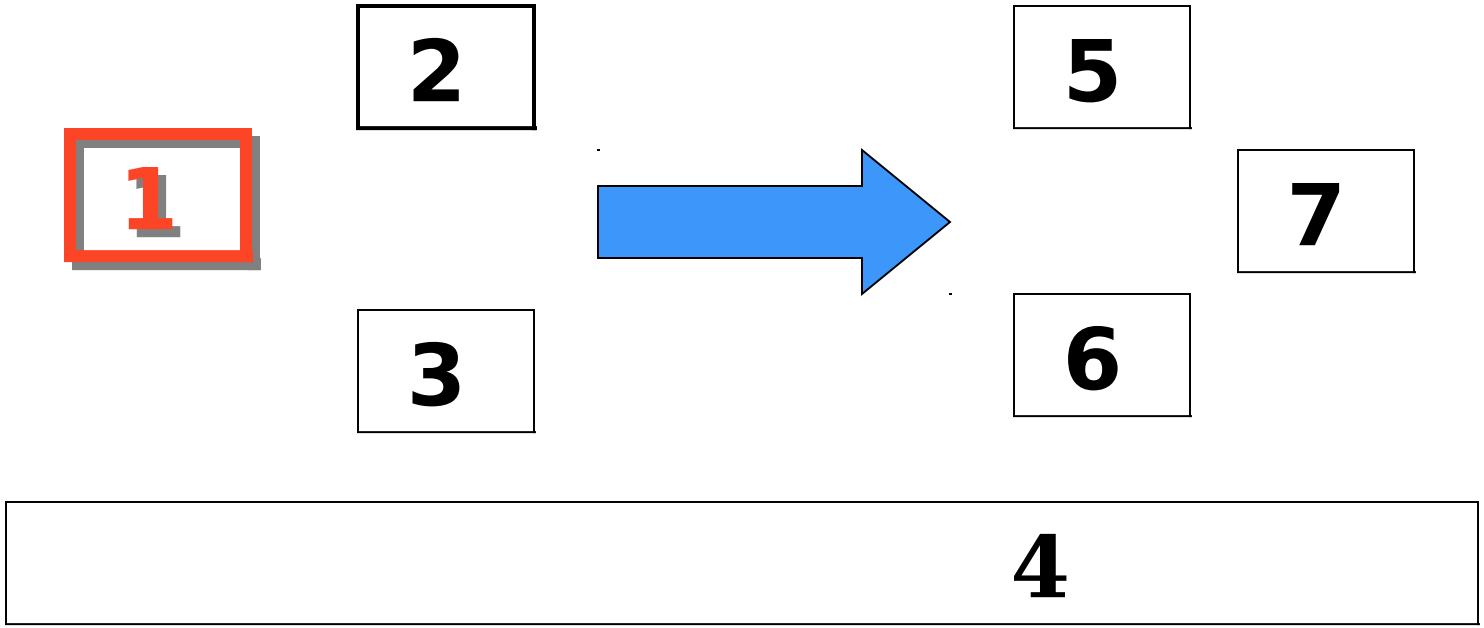
Baldrige Criteria for Health Care

- **Best use is NOT seeking the Award**
- **Best use is internal for honest assessment and for driving plans for improvement.**

5
5
5

Objectives for this class period:

- ✓Grasp the concepts of KBDs & CSFs
- ✓Understand the elements of Strategic Planning.
- ✓Learn the importance of ‘linkage’.
- ✓Discuss the Case study and writing assignment



Baldrige System Categories

Category 1 - Leadership

- **Criteria look at the role of leaders**
  - **1.1 – Organizational Leadership**
- **Who are “leaders”?**
- **Linkages?**
- **Community Citizenship**
  - **1.2 – Public Responsibility**

Scoring:

Remember the Organization's Goals

Look for linkages to other categories

Score the 'degree of fit' to criteria

Judge whether 'sound & systematic'

Make comments 'actionable'

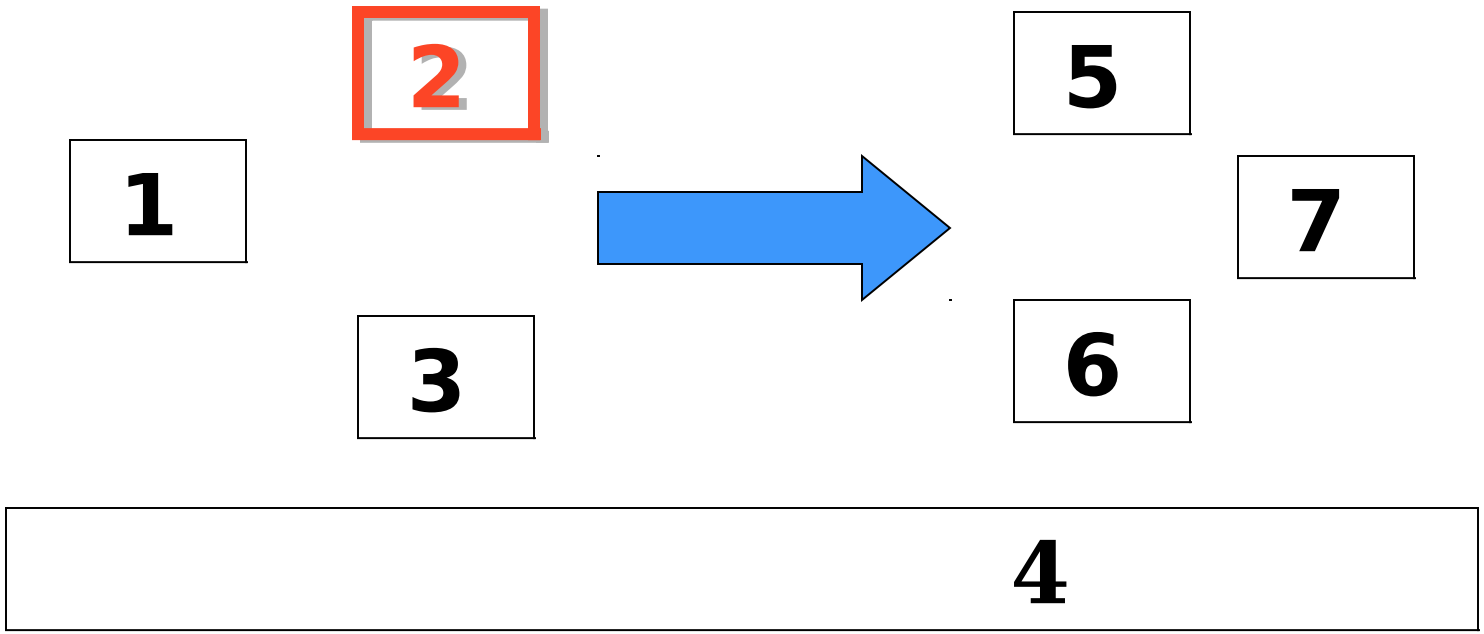
Consensus comes after individual work

Take-aways:

-- leaders define success

-- effective leadership is tied to planning, measurement, communication and attention to the outcomes of actions.

-- leaders see their organization within a larger system.



Baldrige System Categories

2.0 Strategic Planning

2.1 Strategy Development

- Process (who, expectations, strengths, weaknesses, SWOT, data sources, etc.)
- Objectives (key goals, timetables, linkage to KSFs and challenges, how meet expectations, etc.)

2.2 Strategy Deployment

- Action Plans (what are they, how linked to HR activities, key performance measures link to I&A and Results, deployment)
- Projections (comparisons to competitors, benchmarks, etc.

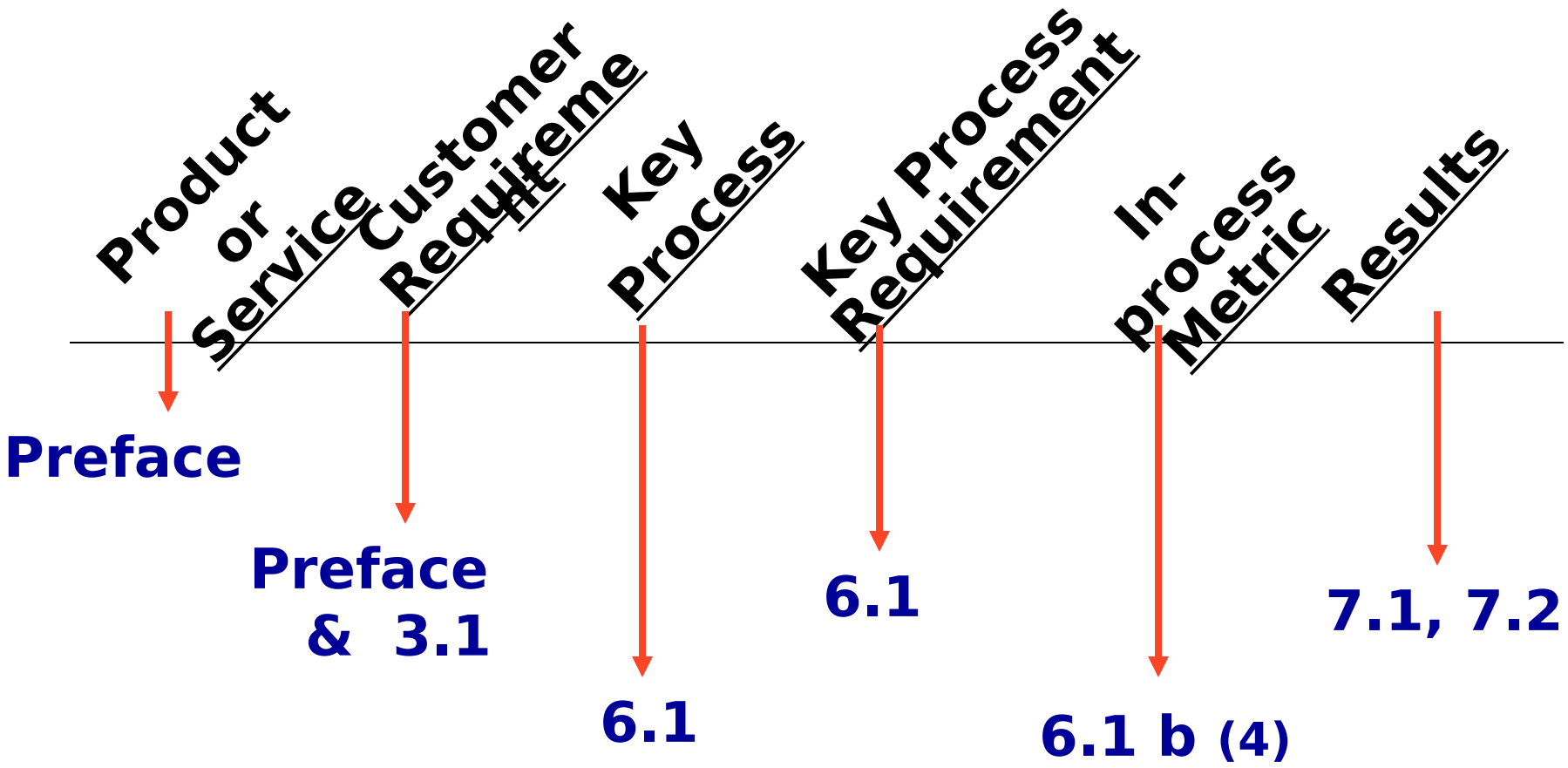
Key Business Drivers

- Unique feature (product, service, etc.)
- Resources & steps to keep it unique
- Includes customer expectations
- usually 10-12 in number.

Critical Success Factors

- must be done to stay in business
- usually 2-4 in number (aligned)
  (e.g., cost – quality – access)

Alignment & Linkage



Strategic Planning takeaways:

1. Time horizons are NOT the budget cycle
2. Leadership must define success
3. You get what you focus on
4. Planning is best if it Plans for Solutions – not Planning to Solve Problems
5. Linkage, linkage, linkage

Next Class --

- **Category 3.0 Focus on Customer and Market Knowledge**
- **Category 4 – Information & Analysis**
- **Case Study**